

DAVID Y. IGE  
GOVERNOR



LAUREL A. JOHNSTON  
DIRECTOR

KEN N. KITAMURA  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

December 5, 2018

**TO:** Mr. Tracy M. Ban, Administrative Services Officer  
Administrative and Research Office

**FROM:** Laurel A. Johnston   
Director of Finance

**SUBJECT:** FB 2019-21 Operating Budget Amendments for the Department of  
Budget and Finance

The Form B, reflecting the Governor's Decisions for FB 2019-21, has been revised to reflect the addition of \$363,944,000 in special funds in FY 20 and \$377,575,000 in special funds in FY 21 to provide ceiling for the Mass Transit Special Fund authorized by Act 1, First Special Session of 2017, into BUF 101.

Attached is a revised Form B (dated December 4, 2018), a new Form A and a Mass Transit Special Fund Revenue Projections Schedule for your reference. Please work with your analyst to ensure all necessary budget forms are updated to reflect this change.

If you have any questions, please contact your assigned analyst. Thank you for your understanding in this matter.

Attachments

**FB 19-21 BIENNium BUDGET  
DEPARTMENT SUMMARY OF OPERATING BUDGET ADJUSTMENT REQUESTS  
DEPARTMENT OF BUDGET AND FINANCE**

MOF	FY 20			FY 21		
	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
<b>Current Services Operating Budget Ceilings by MOF</b>						
A	201.50	-	2,731,490,816	201.50	-	2,731,490,816
B	-	-	-	-	-	-
N	-	-	-	-	-	-
P	-	-	-	-	-	-
R	-	-	-	-	-	-
S	-	-	-	-	-	-
T	68.00	-	19,618,847	68.00	-	19,618,847
U	-	-	10,865,887	-	-	10,865,887
W	-	-	-	-	-	-
X	108.00	-	16,688,023	108.00	-	16,723,023
<b>TOTAL</b>	<b>377.50</b>	<b>-</b>	<b>2,778,663,573</b>	<b>377.50</b>	<b>-</b>	<b>2,778,698,573</b>

Req Cat	B&F Code	Prog ID/Org	Dept Pri	Description	MOF	FY 20			FY 21			Governor's Decision FY 20			Governor's Decision FY 21		
						FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
<b>TRADE-OFF/TRANSFER &amp; CONVERSION OF UNBUDGETED POSITIONS REQUESTS:</b>																	

**SUBTTLTRADE-OFF/TRNSFRS & CONV. OF UNBGT'D PSNS:**

-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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**Request Category Legend:**  
 TO Trade-Off/Transfer  
 UP Conversion of Unbudgeted Positions

By MOF	A	B	N	P	R	S	T	U	W	X						
General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Federal Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inter-departmental Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revolving	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Req Cat	B&F Code	Prog ID/Org	Dept Pri	Description	MOF	FY 20			FY 21			Governor's Decision					
						FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FY 20			FY 21		
												FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
<b>ALLOWABLE NON-DISCRETIONARY EXPENSE REQUESTS:</b>																	
FE		BUF721/ST	1	To provide debt service funding for the State (except DOE and UH)	A			31,101,254			28,520,363			31,101,254			28,520,363
FE		BUF725/LE	1	To provide debt service funding for the DOE	A			26,820,081			24,594,457			26,820,081			24,594,457
FE		BUF728/HE	1	To provide debt service funding for UH	A			9,926,076			9,102,375			9,926,076			9,102,375
FE		BUF741/ST	1	To provide funding for retirement benefits payments for the State (except DOE and UH)	A			65,971,124			103,396,398			65,971,124			103,396,398
FE		BUF745/LE	1	To provide funding for retirement benefits payments for the DOE	A			68,486,045			117,521,788			68,486,045			117,521,788
FE		BUF748/HE	1	To provide funding for retirement benefits payments for UH	A			26,573,882			46,329,952			26,573,882			46,329,952
FE		BUF761/ST	1	To establish ARC payment amounts separately in BUF762	A			(572,862,826)			(572,862,826)			(572,862,826)			(572,862,826)
FE		BUF765/LE	1	Health premium payments for the Annual Required Contribution (AR)	A			(159,841,460)			(159,841,460)			(159,841,460)			(159,841,460)
FE		BUF768/HE	1	Health premium payments for the Annual Required Contribution (AR)	A			(54,405,714)			(54,405,714)			(54,405,714)			(54,405,714)
FE		BUF762/RC	1	Health premium payments for the Annual Required Contribution (ARC)	A			814,659,000			847,680,000			814,659,000			847,680,000
FE		BUF768/HE	1	Health premium payments for the University of Hawaii (UH) Actives	A			6,050,602			7,128,669			6,050,602			7,128,669
FE		BUF765/LE	1	Health premium payments for the Department of Education (DOE) Actives	A			25,257,375			28,104,949			25,257,375			28,104,949
FE		BUF761/ST	1	Health premium payments for the State Actives (except DOE and UH)	A			19,713,004			22,106,622			19,713,004			22,106,622

**SUBTOTAL ALLOWABLE NON-DISCRETIONARY EXPENSE REQUESTS:**

-	-	307,448,443	-	-	447,375,573	-	-	307,448,443	-	-	447,375,573
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**By MOF**

Request Category Legend:  
FE Fixed Cost/Entitlement

General	A	-	-	307,448,443	-	-	447,375,573	-	-	307,448,443	-	-	447,375,573
Special	B	-	-	-	-	-	-	-	-	-	-	-	-
Federal Funds	N	-	-	-	-	-	-	-	-	-	-	-	-
Other Federal Funds	P	-	-	-	-	-	-	-	-	-	-	-	-
Private	R	-	-	-	-	-	-	-	-	-	-	-	-
County	S	-	-	-	-	-	-	-	-	-	-	-	-
Trust	T	-	-	-	-	-	-	-	-	-	-	-	-
Inter-departmental Transfer	U	-	-	-	-	-	-	-	-	-	-	-	-
Revolving	W	-	-	-	-	-	-	-	-	-	-	-	-
Other	X	-	-	-	-	-	-	-	-	-	-	-	-

**FEDERAL FUND ADJUSTMENT REQUESTS:**

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**SUBTOTAL FEDERAL FUND ADJ REQUESTS:**

-	-	-	-	-	-	-	-	-	-	-	-	-	-
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**By MOF**

Request Category Legend:  
FA Federal Fund Adjustments

General	A	-	-	-	-	-	-	-	-	-	-	-	-
Special	B	-	-	-	-	-	-	-	-	-	-	-	-
Federal Funds	N	-	-	-	-	-	-	-	-	-	-	-	-
Other Federal Funds	P	-	-	-	-	-	-	-	-	-	-	-	-
Private	R	-	-	-	-	-	-	-	-	-	-	-	-
County	S	-	-	-	-	-	-	-	-	-	-	-	-
Trust	T	-	-	-	-	-	-	-	-	-	-	-	-
Inter-departmental Transfer	U	-	-	-	-	-	-	-	-	-	-	-	-
Revolving	W	-	-	-	-	-	-	-	-	-	-	-	-
Other	X	-	-	-	-	-	-	-	-	-	-	-	-

Req Cat	B&F Code	Prog ID/Org	Dept Pri	Description	MOF	FY 20			FY 21			Governor's Decision					
						FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FY 20			FY 21		
												FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
<b>OTHER REQUESTS:</b>																	
OR		BUF151/HA	2	Relocation of the Public Defender's Kona Branch Office space	A			76,778			14,756			76,778			14,756
OR	*	BUF151/HA	3	Request for full-year funding for 2 Deputy Public Defender II, SRNA	A			73,080			73,808			73,080			73,080
OR		BUF151/HA	4	Procurement of a dedicated case management software	A			97,832			24,000			97,832			24,000
OR		BUF143/EU	5	Adds funds for new benefits adm system	T		3.00	9,956,000		3.00	367,167		3.00	9,956,000		3.00	367,167
OR		BUF143/EU	6	Add one permanent position to EUTF-Compliance Officer	T	1.00		219,223	1.00		216,823	1.00		110,812	1.00		216,823
OR		BUF143/EU	7	Add funds for civil service conversion	T			64,596			64,596			64,596			64,596
OR		BUF143/EU	8	Add funds for increased in fringe benefits	T			234,169			234,169			234,169			234,169
OR	*	BUF115/CA	8	Add funds for increase in fringe benefits	T			11,968			11,968			11,968			11,968
OR		BUF141/FA	9	Add funds for mandatory migration of ERS' Vitech IT system to the cloud, update of Oracle Financials and mandated project monitoring costs.	X			2,824,388			1,153,800			2,824,388			1,153,800
OR		BUF141/FA	10	Increase in other current costs due to increase in rates, contracted amounts for required services, and reimbursement of expenses.	X			104,000			159,000			104,000			159,000
OR		BUF141/FA	11	Establish (1.00) permanent Investment Officer Position	X	1.00		146,610	1.00		288,690	1.00		130,580	1.00		256,630
OR		BUF141/FA	12	Establish (4.00) permanent Retirement Claims Examiner Positions	X	4.00		165,474	4.00		315,787	2.00		82,677	2.00		157,744
OR		BUF141/FA	13	Establish (2.00) Temporary Information Technology Positions	X		2.00	105,582		2.00	207,583		2.00	105,582		2.00	207,583
OR		BUF141/FA	14	Replace Current Telephone System	X			150,000			22,500			150,000			22,500
		BUF101/AA		Establish Mass Transit Special Fund Ceiling	B									363,944,000			377,575,000

**SUBTOTAL OTHER REQUESTS:**

6.00	5.00	14,229,700	6.00	5.00	3,154,647	4.00	5.00	377,966,462	4.00	5.00	380,538,816
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Request Category Legend:	
GI	Governor's Initiatives
HS	Health, Safety, Court Mandate
FY	Full Year Funding for New Positions
NR	Adjustment for Non-Recurring Items
OR	Other Requests

**By MOF**

MOF	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
General A	-	-	247,690	-	-	112,564	-	-	247,690	-	-	111,836
Special B	-	-	-	-	-	-	-	-	363,944,000	-	-	377,575,000
Federal Funds N	-	-	-	-	-	-	-	-	-	-	-	-
Other Federal Funds P	-	-	-	-	-	-	-	-	-	-	-	-
Private R	-	-	-	-	-	-	-	-	-	-	-	-
County S	-	-	-	-	-	-	-	-	-	-	-	-
Trust T	1.00	3.00	10,485,956	1.00	3.00	894,723	1.00	3.00	10,377,545	1.00	3.00	894,723
Inter-departmental Transfer U	-	-	-	-	-	-	-	-	-	-	-	-
Revolving W	-	-	-	-	-	-	-	-	-	-	-	-
Other X	5.00	2.00	3,496,054	5.00	2.00	2,147,360	3.00	2.00	3,397,227	3.00	2.00	1,957,257

Req Cat	B&F Code	Prog ID/Org	Dept Pri	Description	MOF	FY 20			FY 21			Governor's Decision					
						FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FY 20			FY 21		
												FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
<b>TOTAL ADJUSTMENTS:</b>						6.00	5.00	321,678,143	6.00	5.00	450,530,220	4.00	5.00	685,414,905	4.00	5.00	827,914,389
<b>By MOF</b>																	
	General	A				-	-	307,696,133	-	-	447,488,137	-	-	307,696,133	-	-	447,487,409
	Special	B				-	-	-	-	-	-	-	-	363,944,000	-	-	377,575,000
	Federal Funds	N				-	-	-	-	-	-	-	-	-	-	-	-
	Other Federal Funds	P				-	-	-	-	-	-	-	-	-	-	-	-
	Private	R				-	-	-	-	-	-	-	-	-	-	-	-
	County	S				-	-	-	-	-	-	-	-	-	-	-	-
	Trust	T				1.00	3.00	10,485,956	1.00	3.00	894,723	1.00	3.00	10,377,545	1.00	3.00	894,723
	Inter-departmental Transfer	U				-	-	-	-	-	-	-	-	-	-	-	-
	Revolving	W				-	-	-	-	-	-	-	-	-	-	-	-
	Other	X				5.00	2.00	3,496,054	5.00	2.00	2,147,360	3.00	2.00	3,397,227	3.00	2.00	1,957,257
<b>GRAND TOTAL = BASE + TRO/TRNF &amp; CONV UNBGT PSN + ALLOW NON-DISCR + FED ADJ + OTHER REQ</b>						383.50	5.00	3,100,341,716	383.50	5.00	3,229,228,793	381.50	5.00	3,464,078,478	381.50	5.00	3,606,612,962
<b>By MOF</b>																	
	General	A				201.50	-	3,039,186,949	201.50	-	3,178,978,953	201.50	-	3,039,186,949	201.50	-	3,178,978,225
	Special	B				-	-	-	-	-	-	-	-	363,944,000	-	-	377,575,000
	Federal Funds	N				-	-	-	-	-	-	-	-	-	-	-	-
	Other Federal Funds	P				-	-	-	-	-	-	-	-	-	-	-	-
	Private	R				-	-	-	-	-	-	-	-	-	-	-	-
	County	S				-	-	-	-	-	-	-	-	-	-	-	-
	Trust	T				69.00	3.00	30,104,803	69.00	3.00	20,513,570	69.00	3.00	29,996,392	69.00	3.00	20,513,570
	Inter-departmental Transfer	U				-	-	10,865,887	-	-	10,865,887	-	-	10,865,887	-	-	10,865,887
	Revolving	W				-	-	-	-	-	-	-	-	-	-	-	-
	Other	X				113.00	2.00	20,184,077	113.00	2.00	18,870,383	111.00	2.00	20,085,250	111.00	2.00	18,680,280

**FB 19-21 BUDGET  
OPERATING BUDGET ADJUSTMENT REQUEST  
DEPARTMENT OF**

Program ID/Org. Code: BUF101/AA  
Program Title: Departmental Administration & Budget Division

Department Priority: \_\_\_\_\_

Department Contact: Tracy Ban Phone: 586-1601

Request Category:

Trade-Off/Transfer (+) \_\_\_\_\_ (-) \_\_\_\_\_  
Conversion of Unbudgeted Positions \_\_\_\_\_  
Fixed Cost/Entitlement \_\_\_\_\_  
Federal Fund Adjustment Req \_\_\_\_\_  
Governor's Initiatives \_\_\_\_\_  
Health, Safety, Court Mandates \_\_\_\_\_  
Full Year Funding for New Positions \_\_\_\_\_  
Adjustment for Non-Recurring Items \_\_\_\_\_  
Other  X

**I. TITLE OF REQUEST: Establish Mass Transit Special Fund Ceiling**

Description of Request:  
To establish special fund ceiling in BUF 101 to facilitate the reimbursement disbursements from the Mass Transit Special Fund authorized by Act 1 of the First Special Session of 2017 to participating counties.

**II. OPERATING COST SUMMARY**

- A. Personal Services
- B. Other Current Expenses
- C. Equipment
- L. Current Lease Payments
- M. Motor Vehicles

FY 20 Request			FY 21 Request			FY 22	FY 23	FY 24	FY 25
FTE (P)	FTE (T)	(\$)	FTE (P)	FTE (T)	(\$)	(\$ thous)	(\$ thous)	(\$ thous)	(\$ thous)
		363,944,000			377,575,000	390,860	404,488	417,529	432,683
<b>TOTAL REQUEST</b>									
0.00	0.00	363,944,000	0.00	0.00	377,575,000	390,860	404,488	417,529	432,683

By MOF:  
A  
B  
N  
P  
R  
S  
T  
U  
W  
X

363,944,000 377,575,000 390,860 404,488 417,529 432,683

**FB 19-21 BUDGET  
OPERATING BUDGET ADJUSTMENT REQUEST  
DEPARTMENT OF**

**III. OPERATING COST DETAILS**

	MOF	FY 20 Request			FY 21 Request			FY 22	FY 23	FY 24	FY 25
		FTE (P)	FTE (T)	(\$)	FTE (P)	FTE (T)	(\$)	(\$ thous)	(\$ thous)	(\$ thous)	(\$ thous)
<b>A. Personal Services (List all positions)</b>											
Position Title, SR											
Other Personal Services											
Fringe Benefits											
Turnover Savings											
Subtotal Personal Service Costs		0.00	0.00	0	0.00	0.00	0	0	0	0	0
By MOF											
	A	0.00	0.00	0	0.00	0.00	0	0	0	0	0
	B	0.00	0.00	0	0.00	0.00	0	0	0	0	0
	N	0.00	0.00	0	0.00	0.00	0	0	0	0	0
<b>B. Other Current Expenses (List by line item)</b>											
Mass Transit Special Fund	B			363,944,000			377,575,000	390,860	404,488	417,529	432,683
Disbursements											
Subtotal Other Current Expenses				363,944,000			377,575,000	390,860	404,488	417,529	432,683
By MOF											
	A			0			0	0	0	0	0
	B			363,944,000			377,575,000	390,860	404,488	417,529	432,683
	N			0			0	0	0	0	0
<b>C. Equipment (List by line item)</b>											
Subtotal Equipment				0			0	0	0	0	0
By MOF											
	A			0			0	0	0	0	0
	B			0			0	0	0	0	0
	N			0			0	0	0	0	0
<b>L. Current Lease Payments (Note each lease)</b>											
Subtotal Current Lease Payments				0			0	0	0	0	0
By MOF											
	A			0			0	0	0	0	0
	B			0			0	0	0	0	0
	N			0			0	0	0	0	0
<b>M. Motor Vehicles (List Vehicles)</b>											
Subtotal Motor Vehicles				0			0	0	0	0	0
By MOF											
	A			0			0	0	0	0	0
	B			0			0	0	0	0	0
	N			0			0	0	0	0	0
<b>TOTAL REQUEST</b>		0.00	0.00	363,944,000	0.00	0.00	377,575,000	390,860	404,488	417,529	432,683

**FB 19-21 BUDGET  
OPERATING BUDGET ADJUSTMENT REQUEST  
DEPARTMENT OF**

**IV. JUSTIFICATION OF REQUEST**

Act 1, SSLH 2017, established the Mass Transit Special Fund into which a portion of the Transient Accommodation Tax and the County Surcharge would be deposited for disbursement to participating counties for certified capital costs of a locally preferred alternative for a mass transit project. The Act further appropriated \$1,000,000,000 in funds to facilitate the disbursements, but the appropriation will lapse on June 30, 2019. Providing special fund ceiling in the budget for the Mass Transit Special Fund will the State to continue to make the required disbursements to participating counties. Amounts are based on estimates using the Council on Revenues's forecasts from September 6, 2018.

**V. RELATIONSHIP OF THE REQUEST TO STATE PLAN OR FUNCTIONAL PLAN**

N/A

**VI. INFORMATION SYSTEMS AND TECHNOLOGY**

N/A

**VII. IMPACT ON OTHER STATE PROGRAMS/AGENCIES**

N/A

**VIII. IMPACT ON FACILITY REQUIREMENTS (R&M, CIP)**

N/A

**IX. EXTERNAL CONFORMANCE REQUIREMENTS**

N/A

**X. REQUIRED LEGISLATION (Please specify appropriate statutes; i.e., HRS)**

N/A

**XI. OTHER COMMENTS**

Mass Transit Special Fund Revenue Projections for FY 2019-2025  
As of 12/4/18

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	(in thousands of dollars)						
TAT: Mass Transit Special Fund	\$ 61,056	\$ 63,872	\$ 66,700	\$ 69,415	\$ 72,113	\$ 74,850	\$ 77,668
GET: Total Honolulu County Surcharge	\$ 292,853	\$ 303,103	\$ 314,015	\$ 324,692	\$ 335,732	\$ 346,140	\$ 358,601
Allocation to the State (1%)	\$ 2,929	\$ 3,031	\$ 3,140	\$ 3,247	\$ 3,357	\$ 3,461	\$ 3,586
Net County Surcharge Collections	\$ 289,924	\$ 300,072	\$ 310,875	\$ 321,445	\$ 332,375	\$ 342,679	\$ 355,015
<b>Total Mass Transit Special Fund Revenue</b>	<b>\$ 350,980</b>	<b>\$ 363,944</b>	<b>\$ 377,575</b>	<b>\$ 390,860</b>	<b>\$ 404,488</b>	<b>\$ 417,529</b>	<b>\$ 432,683</b>

Estimates for FY 2019 through FY 2025 are based on the Council's forecasts from the meeting held on September 6, 2018.